over-crowding to a very large extent. From the normal revenues of the year it has not been possible to find adequate funds for effecting the necessary improvements to these institutions. I have, therefore, set apart a sum of Rs. 1½ lakhs for improving the accommodation in all such buildings. An amount of Rs. 75,000 has also been provided for improving the accommodation and equipments in the medical institutions of the State. The plans and estimates for all these improvements are now ready, and orders have been issued to start the works early next year and complete them within nine months. When these works are finished it will be found that the accommodation in our schools and medical institutions has improved in a satisfactory manner.

CAPITAL ASSETS

6. In my last budget speech I gave some account of the position relating to the public debt of the State and the assets and liabilities of the Cochin Government. The position continues to be eminently satisfactory. Our main liabilities are still the amount of Rs. 105 lakhs due to the public on the two loans and Rs. 22 lakhs taken from the Government of India as a loan for harbour purposes. Apart from various minor assets, our main investments alone are over Rs. 256 lakhs. At the end of the current year our total investment in the Harbour will amount to Rs. 96·81 lakhs. This figure represents the following items of investments: amount advanced during the earlier stages, Rs. 3·92 lakhs; cost of the reclamation of 100 acres owned by the Cochin Government, Rs. 15 lakhs; advance for the Fourth Stage Works, Rs. 63·43 lakhs; advance for the purchase of a dredger, Rs. 13·33 lakhs; advance for building ware-houses, Rs. 1·13 lakhs. The total amount spent on the conversion of the railway into broad gauge and the diversion from Edapilli will amount to Rs. 84·54 lakhs at the end of the current year. In addition to these investments, we have got Rs. 47·65 lakhs invested in Government securities and Rs. 27 lakhs as fixed deposits in banks. I have given you only the main items of investments which alone thus total Rs. 256 lakhs. The details of the other advances and investments will be found in the budget statement.

COCHIN PORT

7. Practically all the works pertaining to the Fourth Stage Works have been completed. The laying of the permanent track of the harbour railway was completed during the course

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of the year, and the port railway now comprises a total length of 13·25 miles of track. The construction of the Cochin Harbour Terminus station, the Mattancheri Halt, and the Cochin Pier station were all completed in the year, as also the railway staff quarters and engine sheds. The deflection and oscillation tests of the girders of the railway bridges were conducted by the engineers of the Railway Company and the tests were considered satisfactory. On the 15th April last, the first goods-train came into the port, and subsequent to that eight other goods-trains used the port railway. Regular goods service has commenced from 1st July, 1940. The line is expected to be opened to passenger traffic at an early date. The road-bridge between Willingdon Island and Mattancheri was completed except for the erection of the towers for the lift-span. The work on it is proceeding satisfactorily. The approach-road to the bridge and the roads in front of the Terminus station and wharfs have all been finished. The bridges have been thrown open for through traffic on the 15th July. The erection of a large ware-house with a low wharf and sheds to the north of the main wharf for backwater traffic has completed the necessary terminal facilities for the handling of traffic at the wharf area. For the mooring of the passenger vessels a new berth has been constructed at the north end of Willingdon Island, close to the Baggage Examination Shed, and dredging in front of this area has been carried out. The first piece of land for business purposes on Willingdon Island was leased out to the Bank of Cochin, Limited, on 15th January, 1940. Other applications for leases of land are pending consideration with the Port Authorities.

8. The tonnage of the trade which passed through the port during the year ending 31st March, 1940, was over 951,000 tons and is the highest for this port so far. This is an increase of over 165,000 tons over that for the previous year. Compared to 1938-1939, imports improved by over 88,000 tons. This is mainly due to the increase in the imports of grains and pulses from 390,000 tons to 455,000 tons; kerosene, petrol and other oils from 113,000 tons to 127,000 tons; and sugar from 3,000 tons to 13,000 tons. The total exports for the year were 272,000 tons, which is an increase of 76,000 tons over that for 1938-1939. Except cocoanut oil, all other main commodities of export have shown a rise. Coir products, tea, rubber, cashew-kernels and miscellaneous articles showed marked increases. On the whole, the imports and exports registered a rise of 15 per cent and 39 per cent, respectively. During the year under review 622 steamers entered the port, of

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which 28 were passenger steamers, the respective figures for the previous year being 690 and 55. The outbreak of war is bound to affect, and has affected, the trade of this port in common with others. One immediate effect is the cessation of passenger traffic to the port. The restriction in imports and exports, diversion of shipping from non-essential to essential commodities, and requisitioning of ships for the transport of men and war materials and for the many other purposes for which the merchant navy is put at a time of war, are but a few of the factors that affect the trade of a port. Nevertheless, so far Cochin is holding its own fairly well on the whole.

PUBLIC UTILITY WORKS

9. In view of the uncertainty created by the international situation we thought it wise not to embark on any great programme of capital expenditure. One-fourth of our total revenue is derived from our share in the customs revenue collected in the Port of Cochin. In view of stringent import restrictions and the consequent shrinkage in the volume of external trade, it is not possible to say what would be the position regarding customs revenue. If there is any serious fall in this item we would be faced with a difficult budgetary situation which would necessitate additional taxation and stringent curtailment of expenditure. It is partly to meet such a situation that the Revenue Reserve Fund has been built up. It is with a view to conserve our resources in every possible direction that I have deliberately refrained from embarking on any extensive schemes of improvement. During the year under review, however, we have been able to complete certain very necessary items of work. The work on the Shanmukham Canal at Irinjalakuda has been completed, and it was opened for traffic early in June. The revised estimate for the canal was Rs. 2·21 lakhs. The actual expenditure is not expected to go above Rs. 1·90 lakhs. There are still some necessary works to be carried out in the canal. Proper embankments have to be constructed and, if possible, the area of the basin must be enlarged. We are providing a sum of Rs. 20,000 in the next year for these works. The traffic in the canal is now free. From the 1st of Chingam, however, landing dues will be levied on all the traffic that passes through the canal, and it is expected that the revenue from this source would pay the interest and maintenance charges on the amount spent. Irinjalakuda is an important commercial centre, and the opening of this canal brings this area directly into contact with the port. It is hoped that this direct water-way communication

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